

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7478**

**BILL NUMBER:** SB 609

**NOTE PREPARED:** Jan 17, 2013

**BILL AMENDED:**

**SUBJECT:** Horse Racing.

**FIRST AUTHOR:** Sen. Kenley

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** *IHRC's Reporting Requirement:* The bill requires the Indiana Horse Racing Commission (IHRC) to report on the competitive status of the Indiana horse racing industry as compared to the horse racing industries of other states.

*Wagering Regulations:* It prohibits members of the IHRC, employees of the IHRC, and racing officials from wagering on horse racing at racetracks and satellite facilities located in Indiana.

*IHRC Appointment Authority:* The bill specifies that the IHRC may appoint administrative law judges to conduct hearings.

*Changes to Disciplinary Guidelines and Actions:* The bill requires the IHRC to post information concerning complaints and disciplinary actions on the IHRC Internet web site. It specifies the following concerning disciplinary action initiated by stewards and judges: (1) that unless appealed within 10 days, a suspension or civil penalty must be imposed within 60 days of the sanctioned violation; (2) that judges and stewards must prove the violation by the preponderance of the evidence; and (3) that the IHRC must conduct a hearing on an appealed sanction not more than 180 days after the appeal is filed.

*Independent Study:* The bill requires the IHRC to commission an independent study of the economic impact of horse racing in Indiana.

**Effective Date:** July 1, 2013; January 1, 2014.

**Explanation of State Expenditures:** *IHRC's Reporting Requirement:* The IHRC currently produces an annual report at the end of every Calendar Year. In addition, the bill requires the IHRC to produce an annual report on the competitive status of the Indiana horse racing industry compared to other states. The report would likely require IHRC staff to conduct additional data collection and research on the horse racing industry. The IHRC's current level of resources should be sufficient to implement these reporting requirements.

*Independent Study:* The bill requires the IHRC to employ the services of an independent contractor to perform a study concerning the economic impact of horse racing in Indiana. Such a study could cost \$50,000 to \$100,000.

*Administrative Hearings:* The bill allows IHRC to appoint administrative law judges to conduct hearings. It provides that certain hearings could be conducted by any member of the IHRC or an administrative law judge. Since the IHRC already has an outside contractor conducting administrative hearings, this provision may not require any hiring. It could actually result in a savings, as hearings could be conducted without needing the presence of all five members of the IHRC. Under current law, each member of the IHRC is entitled to the minimum salary per diem. Each member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties. This provision could result in lowering the costs associated with certain hearings.

Other provisions in the bill making changes to disciplinary guidelines and actions could lead to a minimal cost. The IHRC's current level of resources should be sufficient to implement these changes.

**Explanation of State Revenues:** *Penalty Changes:* The bill allows racing stewards and racing judges to impose a penalty up to \$5,000. Currently they are limited to imposing penalty up to \$1,000. This could have an impact on revenues if there are additional penalties imposed by these officers. Under current law the IHRC can impose additional penalty in addition to the racing stewards and racing judges up to a total of \$6,000 for offenses related to these provisions. This bill would increase those amounts to a total of \$10,000. The civil penalty revenue collected by IHRC is deposited in the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IHRC

**Local Agencies Affected:**

**Information Sources:** Indiana Administrative Code, IHRC.

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